

**BILL SUMMARY**  
2<sup>nd</sup> Session of the 58<sup>th</sup> Legislature

<b>Bill No.:</b>	<b>sb1337</b>
<b>Version:</b>	<b>ENGR</b>
<b>Request Number:</b>	
<b>Author:</b>	<b>Rep. McEntire and Sen. McCortney</b>
<b>Date:</b>	<b>4/4/2022</b>
<b>Impact:</b>	<b>See below</b>

**Research Analysis**

SB 1337 provides legislative intent regarding the state's Medicaid program. The bill requires the Oklahoma Health Care Authority (OHCA) to enter into capitated contracts with contracted entities for the delivery of Medicaid services as well as with dental benefits managers. The measure prohibits OHCA to issue any requests for proposals or enter into any contract to transform the delivery system of the state Medicaid program for any Medicaid population that is not expressly included in this bill.

OHCA is directed to issue requests for proposals no later than January 1, 2023, for all Medicaid services except for dental services. The proposed services shall cover the following Medicaid populations:

- pregnant women
- children
- deemed newborns
- parents and caretaker relatives and;
- the expanded population

Capitated contracts will cover all Medicaid services other than dental services including physical health services, behavioral health services and prescription drug services.

The requests for proposals for dental benefits managers will cover dental services for the following populations:

- pregnant women
- children
- deemed newborns
- parents and caretaker relatives
- the expanded population, and;
- members of the Children's Specialty Plan

SB 1337 requires OHCA to specify the services to be covered in the request for proposals. The Children's Specialty Plan, as defined in the measure, will cover children in foster care and former foster care children up to age 25, juvenile justice involved children, and children receiving adoption assistance. The measure requires the contracted entity for the Children's Specialty Plan to coordinate with dental benefit managers for dental service benefits.

OHCA is also directed to award no less than three statewide capitated contracts to provide comprehensive integrated health services including but not limited to medical, behavioral health, and pharmacy services and no less than two capitated contracts to provide dental coverage to Medicaid members. At least one of the awarded contracts must be provided to a provider-led

entity. Contracts will be awarded based on scoring criteria outlined in the measure. The measure also directs OHCA to establish such requirements as may be necessary to prohibit contracted entities from excluding essential community providers, providers who receive directed payments, and other providers as OHCA may specify from contracts with contracted entities. Contracted entities must hold a certificate of authority as a health maintenance organization. No less than 1/3 of the entity's board must be comprised of representatives of local Oklahoma provider organizations. Additionally, two members must be representatives of local Oklahoma provider organizations.

The measure modifies, strikes, and adds definitions to the bill and strikes language relating to managed care contracts.

Prepared By: Dan Brooks

### **Fiscal Analysis**

The Oklahoma Health Care Authority expects there would be some administrative costs in FY 23 to build out the new delivery system. This would include systems development and third party contractor costs. An amount has not yet been determined but there will be no appropriated dollars requested for FY 23. Any program fiscal impact for 1337 will be in FY 24 and we do not expect additional cost but do expect additional revenue associated with premium tax.

Prepared By: Stacy Johnson

### **Other Considerations**

None.